GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4151
ANSWERED ON:15.12.2000
AMENDMENTS IN MARKET DEVELOPMENT ASSISTANCE GUIDELINES
SUBODH MOHITE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the exports to Latin American countries is very negligible in the recent years;

(b) if so, the reasons therefor;

(c) whether the Government have recently amended the Market Development Assistance guidelines;

(d) if so, the details thereof and;

(e) it`s likely impact on the export of these countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRYSHRI OMAR ABDULLAH)

(a) &(b) : Our merchandise exports to LAC in 1999-2000 were $693.75 million which is 1.85% of our total exports. The main reasons for low exports to this region were long distance, language barriers and inadequacy of information.

(c) & (d) : The MDA guidelines have been reviewed and proposals have been formulated especially for LAC region, namely:

1) MDA assistance shall be available on air travel @ 90% to SSI exporters and @ 75% to other than SSI exporters subject to a maximum of Rs. 90,000/- per event for Sales-Cum-Study Tours/Trade delegationsand Rs. 1,40,000/- for participation in fairs/exhibitions & buyer-cum-seller meets in the LAC region.

2) A maximum of three activities in a financial year, combined of sales tours/participation in fairs abroad shall be permissible for MDA assistance. One additional sales tour/fair participation would be permissible to the LAC region.

3) Assistance shall be given for opening/ maintaining a warehouse in the Latin American countries, on a declining scale of 75%, 50% and 25% in three successive years for meeting the rental expenses for a period of three years from 1st April, 2000.

4) A provision of Rs. 2 crores corpus has been made for the year 2000-2001 for supporting market promotion activities in the LAC region through EPCs, ITPO etc. by way of organising specialised Made in India Exhibitions, translation facilities in Spanish/Portuguese and vice versa, market survey, setting up of warehousing facilities for three years, preparation of product catalogue in CD Rom form etc.

5) Inviting foreign delegations/buyers for specialised fairs and other programmes would also be eligible for MDA support.

6) Recognized Indian export houses and trading houses, recognised consortia of SSI units shall be given assistance for opening and maintaining foreign office in Latin American countries with 50% assistance for one year for rent etc.

7) Training in Spanish/Portuguese language for the exporters to the LAC will be conducted in IIFT on the basis of 8 courses in a year, of 5 month long duration to be conducted thrice a week in the evenings/full time courses of 2 1/2 months duration.

(e) : The two way trade is likely to grow with these measures. India`s exports to LAC have increased by 32.81% during the first six months of the current financial year.